

Message Text

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41

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AMEMBASSY OSLO

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TAGS: EFIS PFOR IC UK NATO

SUBJECT: ICELAND-UK FISHERIES DISPUTE--NATO IN SPOTLIGHT

1. SPOTLIGHT IS ON NATO AS ICELANDERS AWAIT NEXT STEPS IN NEGOTIATION/MEDIATION EFFORTS AND RELATED DECISION FROM GOI ON WHETHER TO BREAK DIPLOMATIC RELATIONS WITH UK.

2. SPEED AND SYMPATHY WITH WHICH NATO AND VARIOUS INDIVIDUAL ALLIES ARE SEEN TO HAVE REACTED TO LATEST UK "INVASION" HAVE BEEN HAILED HERE BY SUPPORTERS OF ALLIANCE AND USED BY GOI TO JUSTIFY DELAY IN DECISION ON DIPLOMATIC BREAK. IN ALTHING DEBATE YESTERDAY, PRIMEMIN SIAD IT WOULD BE WRONG FOR GOI TO COMPLICATE EFFORTS BY
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NATO COUNCIL, FRG, AND OTHERS BY BREAKING RELATIONS NOW OR TAKING

OTHER PRECIPITATE STEPS. ON OTHER HAND, PRIMEMIN SAID, DIPLOMATIC BREAK WAS WEAPON IN GOI'S ARSENAL WHICH WOULD BE REEXAMINED, TOGETHER WITH OTHER COURSES OF ACTION, IF CURRENT EFFORTS TO CALM SITUATION DID NOT SUCCEED.

3. FONMIN EINAR AGUSTSSON TOLD PARLIAMENT THAT SEVERANCE OF RELATIONS WITH UK WAS UNAVOIDABLE UNLESS THERE WAS MAJOR CHANGE IN SITUATION. REASON FOR DELAY WAS TO SEE WHAT RESULTS PRESSURE ON UK INSIDE NATO WOULD HAVE. HE POINTED OUT THAT BREAK, IN ITSELF, WOULD NOT PREVENT BRITISH FROM FISHING. CONTINUING COMMENTS, FONMIN SAID THAT DURING LAST COD WAR, LEFTIST GOVERNMENT HAD NEVER THREATENED WITHDRAWAL FROM NATO OR CLOSURE OF KEFLAVIK BASE; ON CONTRARY, IT WAS STRESSED AT TIME THAT DEFENSE AND FISHERIES WERE, AND SHOULD BE, TWO DISTINCT ISSUES.

4. DURING ALTHING DISCUSSION, SDP CHAIRMAN BENEDIKT GRONDAL CLAIMED DISPUTE WAS AT MORE DANGEROUS LEVEL THAN BEFORE AND SIAD THAT BASED ON EARLIER DECLARATIONS FROM GOVERNMENT, ALL ICELANDERS EXPECTED BREAK IN RELATIONS. GRONDAL WARNED THAT TOO LONG A DELAY WOULD UNDERMINE ICELAND'S CREDIBILITY. LIBERALS AND LEFTISTS PARLIAMENTARY LEADER KARVEL PALMASON ALSO RECALLED PREVIOUS GOI STATEMENTS ON IMPENDING DIPLOMATIC BREAK AND ASKED HOW MUCH TIME GOI WAS WILLING TO GIVE NATO TO PRODUCE RESULTS. HE ADDED THAT NATO SHOULD BE WARNED OF LIKELIHOOD THAT MAJORITY OF ICELANDERS WOULD TURN AGAINST ALLIANCE IF WARSHIPS CONTINUED AGGRESSION. CHAIRMAN OF PEOPLES ALLIANCE ALTHING GROUP LUDVIK JOSEFSSON CALLED ON GOI TO HONOR ITS WORD AND SEVER RELATIONS NOW. IF THAT DIDN'T WORK, JOSEFSSON SAID, ICELAND SHOULD ANNOUNCE THAT UNLESS FRIGATES ARE REMOVED IT WILL CLOSE KEFLAVIK BASE AND WITHDRAW FROM NATO.

4. ACTIVITIES OF SYG LUNS ARE RECEIVING MAJOR PRESS ATTENTION. INDEPENDENCE PARTY'S MORGUNBLADID LEAD STORY STRESSES THAT LUNS WILL GO TO LONDON DIRECT FROM MEETING WITH US PRESIDENT AND SECRETARY OF STATE, LEAVING DISTINCT THOUGH UNARTICULATED IMPRESSION THAT SUCH MEETING WILL FOCUS ON FISHERIES DISPUTE. BOTH OTHER A.M. PAPERS FEATURE LUNS ON FRONT PAGE, WITH PROGRESSIVE PARTY'S TIMINN SPECULATING THAT SYG MIGHT COME TO ICELAND LATER THIS WEEK. FONMIN AGUSTSSON, ASKED ABOUT LUNS' ROLE, SAID GOI HAD NEVER WANTED MEDIATOR IN DISPUTE. "IF WE CANNOT SOLVE DISPUTE BILATERALLY, IT IS EVEN LESS POSSIBLE FOR MEDIATOR TO SOLVE IT," UNCLASSIFIED

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AGUSTSSON SAID.

5. ALL MORNING PAPERS EDITORIALIZE ON NATO LINK FROM VARIOUS POINTS OF VIEW. MORGUNBLADID ENDORSES GOI DECISION TO DELAY DIPLOMATIC BREAK AND GIVE LUNS AND OTHERS CHANCE TO GET RESULTS. TIMINN EDITOR (AND FOREIGN RELATIONS COMMITTEE CHAIRMAN) THORARINN THORARINSSON AGREES THAT IT CORRECT TO GIVE NATO TIME BUT SAYD THAT DELAY CANNOT BE TOO LONG AND THAT OUTCOME OF NATO EFFORTS WILL

HELP ICELANDERS DECIDE WHETHER THEY BELONG IN ALLIANCE OR NOT.
PEOPLES ALLIANCE DAILY THJODVILJINN MOCKS GOVERNMENT FOR ITS
RELIANCE ON NATO IN VIEW OF DEVELOPMENTS TO DATE. PAPER SAYS NATO
HAS PREVENTED GOI FROM KEEPING ITS PROMISE TO BREAK RELATIONS AND
THAT NATO IS RESPONSIBLE FOR PRESENCE OF WARSHIPS IN ICELANDIC
WATERS.
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